

Board Agenda Item Explanation

Finance Report February 2026

The preparation of the 26/27 Budget is underway. Building and Department budget sheets have been provided to their appropriate budget owners.

25/26 expenses are being monitored and reviewed closely in all areas.

ODE Budget Reduction: No update on possible budget reduction for the current 25/26 year or impact to 26/27 is available. The State revenue forecast for March was released on 2/4 and was again a positive update. However, there was no indication on previously mentioned reductions. There is still a **State General Fund** budget deficit of \$500 Million and Educators are still advocating for students and asking for the use of the Education Stability Fund to close any K-12 budget gaps.

State School Fund

We are expecting the first 26/27 SSF Estimate to be released in March, which will give us our first budget number for State School Fund Revenue.

PERS Update

The PERS rates will remain steady for the 26/27 fiscal year. The PERS Employer Contribution Rate is an average of 5% of gross payroll. The overall impact to the 26/27 budget will be in the range of \$700,000 - 900,000 of added associated payroll costs. It is worth noting again that our 2002 and 2003 PERS Bonds side accounts have provided an offset to this rate in the past which has resulted in this rate being 0%. The Bonds and rate offset are set to expire in the 27/28 fiscal year which will have an additional financial impact on associated payroll costs. More details will be shared regarding the PERS impacts in future Board meetings as we prepare for the added costs.

Audit Information

The 2024-25 financial audit has been completed and submitted to ODE by the due date by Pauly Rogers, the District's external financial auditor. The District was issued a clean, unmodified opinion. The board report will be provided as soon as it is received from our auditors.

Submitted by: Andy Campbell